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CENTRAL INTELLIGENCE AGENCY WASHINGTON 25, D. C.

The Honorable Frederick J. Lawton The Director Bureau of the Budget Washington 25, D. C. SED 5 1059

Dear Mr. Lawton:

In accordance with the provisions of Circular No. A-8, Revised, dated 29 June 1951, there is transmitted herewith a report of management improvement actions and plans affecting the Central Intelligence Agency.

Summary of Accomplishments - Fiscal Year 1952

The Agency continued to operate under three major fields of responsibility: Intelligence, Operations, and Administration. In the last report the latter two fields were each supervised by a Deputy Director responsible to the Director of Central Intelligence. The Intelligence field, however, was supervised by the Deputy Director of Central Intelligence. A major organizational improvement has been effected through the establishment of the Office of Deputy Director (Intelligence) to relieve the Deputy Director of Central Intelligence of that immediate responsibility and to provide direct supervision of the subordinate offices.

The creation of the Office of Deputy Director (Intelligence) has resulted in greatly improved collaboration among Intelligence Offices, their consideration of mutual problems, and their working relationships with the covert offices and other Intelligence Agencies. There has been a noticeable improvement of reporting in these offices and more specific programming of resources.

Organizational changes have been made in the Operations field for the consolidation, within the covert offices, of geographical or country divisions into foreign areas. This reorganization started during the latter part of 1952 will be accomplished during early fiscal year 1953 and will have the following effect: clearer lines of command and supervision; improved channels of communication between departmental headquarters and the field; and more efficient and effective administrative and logistical support through centralization within the departmental headquarters and decentralization to the field where possible.

A Career Development Program has been devised and is being implemented as rapidly as possible. This, with the Training programs already underway, will promote the most effective utilization of Agency employees.

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Society Information

The highlights of management improvements effected during the fiscal year 1952 are attached as TAB A.

Major Objectives - Fiscal Year 1953

Intelligence Field

To improve the coordination of intelligence programing so as to minimize duplication of effort, and in that connection to economize by establishing sharply defined areas of common concern which can be conducted by a single Agency for the benefit of the intelligence community.

Operations Field

To reorganize covert overseas operations of the Agency into a single chain of command, operating under a single set of administrative procedures, and to decentralize to the field covert support activities wherever possible.

Administration Field

To develop and install an inventory accounting system to adequately control Agency assets.

To install work-measurement and production standards as guides for budget justifications.

To continue efforts for the conservation and utilization of Agency manpower in accordance with Presidential Directive.

Sincerely yours,

SIGNED

WALTER REID WOLF Deputy Director

1 Attachment

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